

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2681
ANSWERED ON:31.08.2007
OVERSEAS INVESTMENT
Singh Kunwar Rewati Raman

Will the Minister of FINANCE be pleased to state:

- (a) whether Reserve Bank of India (RBI) has allowed any resident Indian to invest a certain amount in a year abroad; and
- (b) if so, the details thereof ?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) & (b): Yes, Sir. Reserve Bank of India, under the "Liberalised Remittance Scheme for Resident Individuals," allows a resident individual to remit up to US \$ 100,000 per financial year for any permitted current or capital account transactions or a combination of both, such as bank deposit, purchase or immovable property, investment in equity/debt, etc. abroad. Similarly, resident individual are permitted to remit for current account transactions such as gift, donation, medical treatment, education, employment, emigration, import of medicines, books and periodicals subject to Foreign Trade Policy. However, the remittances for transactions, which are otherwise not permissible under Foreign Exchange Management Act (FEMA) and those in the nature of remittance for margins or margin calls to overseas exchanges/overseas counterparty are not permitted under the scheme.